

# Regional News

## Part of county surplus goes to tech upgrades

by Janel Davis

Staff Writer

Before recessing for the year, the County Council decided to spend almost a third of an unexpected \$71.5 million surplus on updating the county's computer systems, fixing potholes, resurfacing roads and upgrading lighting.

In a 6-3 vote Dec. 13, the council passed a resolution to spend almost \$24 million of the unexpected \$71.5 million surplus.

The bulk of the unexpected income came from the county's recordation tax, which is paid whenever property changes hands. As of Nov. 30, the county collected \$249 million in recordation taxes — \$65 million more than expected — and \$969.6 million in income taxes — \$20 million higher — for about \$85 million more.

Most of the money not spent on computer upgrades or maintaining infrastructure will go into the county's reserve fund. About \$10 million goes to pay-as-you-go construction projects.

The resolution also allows county agencies to increase their budgets by more than 8 percent and sets the property tax rate at the charter limit, which will require a rate reduction of about 9 cents.

During his Dec. 6 state of the county ad-

dress, County Executive Douglas M. Duncan (D) said his budget proposal would include a 9-cent cut in the property tax.

Spending the surplus was a point of contention among council members at the Dec. 13 meeting because three wanted to wait until the county executive's operating budget recommendations are released in March.

Council President George L. Leventhal (D-At large) of Takoma Park, Thomas E. Perez (D-Dist. 5) of Takoma Park and Steven A. Silverman voted against the resolution.

Approving the resolution was not fiscally responsible, Silverman (D-At large) of Silver Spring said before the vote.

"The majority of the council put technology ahead of school construction and modernization at least in terms of the actual framework that we adopted," Silverman, who is running for county executive, said this week. "I think it was a premature decision to make in December, and the reality is that it is not a binding decision. We should have waited for both proposed budgets [construction and spending] from the county executive."

Silverman said the real "rubber would meet the road" if, for example, the executive's capital budget does not fully fund the school board's construction request and the council

### Where the surplus came from

- \$969.6 million from income taxes — \$20 million higher than expected
- \$249.3 million from recordation taxes — \$65 million higher than expected

### Where the surplus went

- \$23.8 million to computer and infrastructure upgrades
- \$10 million to capital projects
- Remainder goes to unallocated reserves

are things that are the underpinnings of government. It doesn't get a press conference or banner headline, but it is important that we manage the storehouse appropriately."

Last year, county department heads presented computer system status reports to a council technology committee, headed by Praisner. According to those reports, many county's computer systems — including those for processing employee paychecks — were outdated and needed repair or replacement.

"I would like us to look at the issue of when we close the books if there is extra month that we can identify as one-time money," Praisner said. "The \$23 million is a drop in the bucket when we talk about technology systems, but it is a good start and means we're on our way to working on these systems."

In approving the resolution last month, the council followed the example of the 1993 council, which used a surplus to create a technology fund for Montgomery County Public Schools.

Duncan will submit his proposed capital budget to the council next week. The operating budget proposal is due in March.

The council may revise the spending guideline resolution in April and again before budgets are approved in June.

has to decide whether to fill the gap with the one-time funds or remain on track with the technology updates.

"The [approved spending guidelines] say that we're scratching below the surface of the sexy items that we tend to hear the most about," Councilwoman Marilyn J. Praisner (D-Dist. 4) of Calverton told The Gazette. "These